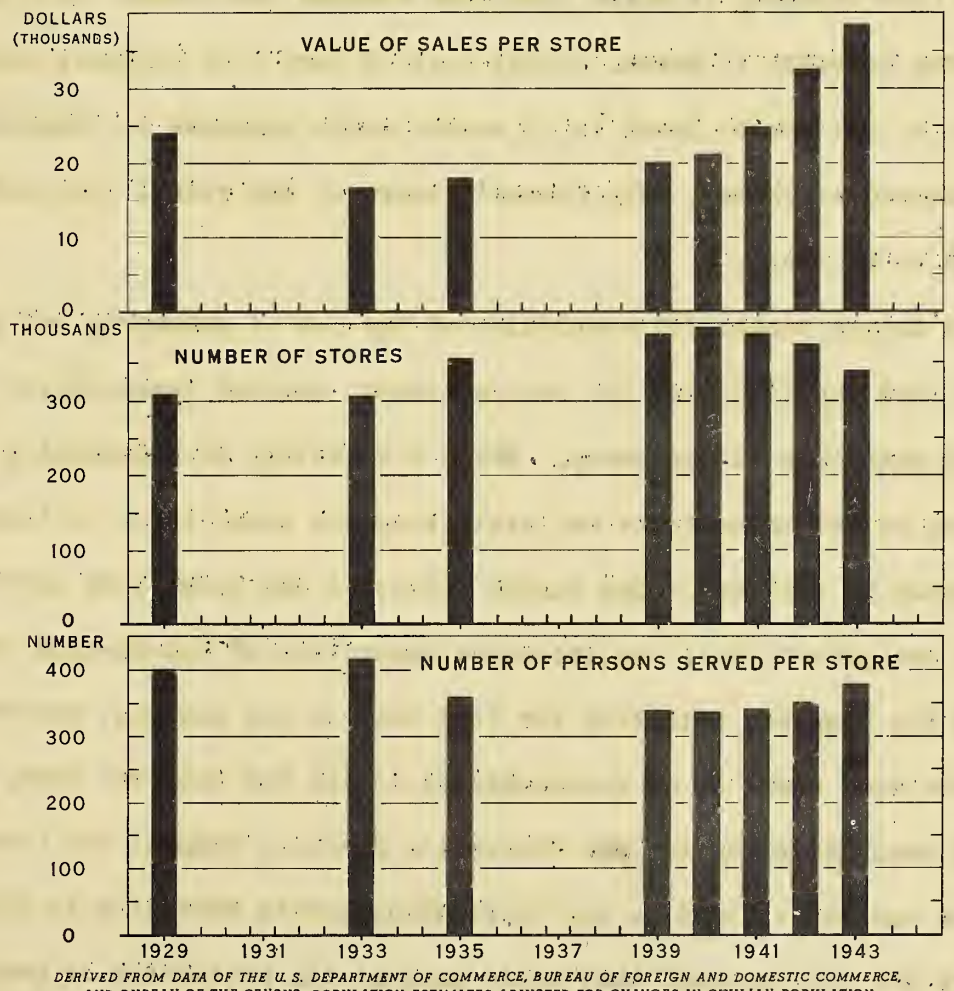
THE Marketing and Transportation SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

MTS-20 BAE APRIL 1944

RETAIL GROCERY AND COMBINATION STORES: VALUE OF AVERAGE ANNUAL SALES PER STORE, NUMBER OF STORES, AND NUMBER OF PERSONS SERVED PER STORE, UNITED STATES, 1929, 1933, 1935, AND 1939-43



DERIVED FROM DATA OF THE U. S. DEPARTMENT OF COMMERCE, BUREAU OF FOREIGN AND DOMESTIC COMMERCE, AND BUREAU OF THE CENSUS. POPULATION ESTIMATES ADJUSTED FOR CHANGES IN CIVILIAN POPULATION

U. S. DEPARTMENT OF AGRICULTURE NEG. 43549 BUREAU OF AGRICULTURAL ECONOMICS

The rapid rise in sales per store during the war is a result of the wartime liquidation of stores and an increase in food expenditures owing to increased incomes and higher food prices. The liquidation of stores has caused an increase in number of persons served per store, despite the decline in civilian population, and the shortage of help in the stores.

MARKETING AND TRANSPORTATION SITUATION

APRIL 1944

SUMMARY

Charges for marketing farm food products, including Government marketing payments, in March 1944 were nearly 2 percent below February but were 3 percent above March 1943 and 4 percent above the 1935-39 average. The marketing margin between retail cost and farm value of a representative list of farm food products declined from February to March 1944, and reached the lowest level since September 1941. From February to March, retail cost of farm food products declined nearly 1 percent to the lowest level in 12 months while payments to farmers for equivalent produce showed no change. The farmer's share of the retail food dollar continued unchanged at 58 cents.

To insure successful completion of the job of packaging and shipping the Nation's food supply during the coming season, maximum conservation of critical container materials is necessary. Every possibility of redesigning containers, maximizing weight of contents and minimizing the quantity of critical materials used, should be explored. The lumber situation has grown more serious, and shippers and growers must use increased quantities of second-hand containers. Although the tinplate situation for food cans is now somewhat easier than it was a few months ago, there is an unprecedented demand for packers' cans. Orders have recently been issued by the War Production Board to channel the flow and distribution of container board to the fabricating plants according to relative needs. No orders are contemplated that would curtail the production or packaging of critical foods.

Cold storage facilities have been crowded, in recent months, to the point where certain foods have had to be removed from this type of storage, and the continual outward movement of other foods has had to be encouraged. Amendment 2 to Food Distribution Order 70, effective March 22, 1944, was designed to hasten

the movement of old stocks of perishable commodities into consumer channels prior to the new producing season. It restricts the refrigerated storage period of any commodity to 10 months, and also prevents the use of cold storage facilities for specific commodities. Another provision in the amendment, giving the War Food Administration control over the storage of nuts in shell, will make available a considerable amount of storage space.

The severe congestion of egg markets during the last part of March and the first week in April stemmed partly from the unusually large production of recent months. Other important factors influencing the situation were shortages of handling facilities, packing material, storage space, shipping and manpower. The WFA has revised its shell egg buying program in an attempt to meet the situation.

April 28, 1944.

CONSERVATION STRESSED IN TIGHT CONTAINER SITUATION

Conditions pointing to development of the present acute shortage of containers were analyzed in the Outlook Issue of The Marketing and Transportation Situation, October 1943. As it now stands, only maximum practicable conservation will insure the job of packaging and shipping the Nation's food supply during the coming season. This applies to all types of packages used in the gigantic task of packaging food.

Ways and means of packaging more pounds of food with less poundage of critical materials must be studied immediately. Every possibility of redesigning containers, to obtain maximum weight of contents and use of a minimum of critical materials, must be explored. Every bag, box, crate, and metal container of any description that can be utilized for at least one more trip should be preserved. Only through this continued effort will it be possible to stretch the available supplies of packaging materials to accomplish the job that must be done.

The general lumber situation has grown more serious, in spite of urgent efforts to get more logs into the sawmill areas. For the past three years the production of lumber has not kept pace with demands for it. As a result, working inventories are very low, and lumber used from now on will have to be supplied from current production. Also the requirements for boxing and crating material have expanded tremendously because of war uses. Current estimates by the War Production Board indicate that over one-half of the lumber produced in 1944 will be required for containers and other shipping materials. In view of this situation, so far as the field lug, basket, and veneer crates are concerned, growers will be obliged to depend to a great extent on second-hand containers.

Second-hand packages are being purchased by shippers and growers in greater quantities than ever before. This is especially true of shippers from producing districts distant from the terminal markets. Preliminary information from 13

terminal markets indicates that 521 cars of used containers were shipped by rail from these markets during the month of February. This by no means represents total shipments, as it does not include quantities shipped by truck or shipments from the remaining markets.

Although the tinplate situation for food cans is somewhat easier than it was a few months ago, unprecedented demands are being made for packers' cans and set aside tonnage for the Armed Service, lend-lease, and civilians. Possibilities have been explored of reverting to metal packages for some of the food products which were restricted under the original M-81 Order of WPB, which restricted the use of metal in the packaging of certain food and non-food items. It is hoped that some relief may be forthcoming toward the third and fourth quarter of 1944, but to what extent tonnage will be available and when cannot be determined at this time.

Orders have recently been issued by the War Production Board placing further limitation on the use of new containers of corrugated and solid fibre under L-317. It has also been necessary for the War Production Board to put all containerboard tonnage under direct authorization, by means of M-290. This Order will channel the flow and distribution of containerboard to the fabricating plants, both integrated and nonintegrated operators, in keeping with the operators' rating pattern. The full force of these orders will not be felt until 30 to 60 days from April 1, and therefore, industry has been asked to defer appeals to Washington for that length of time.

No orders have been issued nor are any contemplated desgined to curtail the production or packaging of critical foods. It is expected that the increased food programs will have sufficient containers of all kinds, provided every possible conversion and conservation measure is adopted. However, there is still a critical shortage of materials for containers, and every individual must assist with the salvage of all wastepaper, which plays such an important part in the manufacture of new containers.

COLD-STORAGE FACILITIES GET NEW CONTROLS; MATERIALS SCARCITY RESTRICTS EXPANSION

Among the latest measures to relieve the critical shortage of space in the Nation's cold-storage houses is the second amendment to Food Distribution Order No. 70, effective March 22. This provides chiefly that no person, unless specifically authorized to do so by the Director of Food Distribution of the War Food Administration, may store any commodity in any refrigerated-storage facility for a period--or periods--of more than 10 months; and prevents the use of cold-storage facilities for (1) nuts in the shell (including peanuts), (2) canned shell fish in hermetically sealed containers (except frozen crabmeat and shrimp), and (3) Carter Spread.

This order is a part of the War Food Administration's cold-storage program which includes: (1) Getting as efficient use of existing facilities as possible through better piling, by encouraging conversions, utilization of off-track and out-of-position warehouses, and preventing the unnecessary accumulation of stocks, (2) getting those commodities which do not require refrigeration out of cold-storage and (3) making necessary expansions in the total volume of cold-storage facilities in strategically located areas.

The function of refrigerated storage is to carry perishable commodities from the producing season to periods when these commodities are relatively scarce. Since

at present there are sizable stocks in cold-storage facilities that have been ther a year or more, the removal from storage after 10 months will assure movement of old stocks into consumer channels prior to the new producing season, and insure orderly turnover.

The provision in the amendment which gives the War Food Administration control over the storage of nuts in the shell will make available a considerable amount of cooler space. In 1942 almost 7 percent of the total cooler space in warehouses was occupied by nuts in the shell. Shelled nuts are not affected by the amendment, but even if operators choose to shell existing stocks and store the meats, a substantial saving in space would result. Although over-all holdings of canned fish may not be larged, they are important in some areas. Both of these items can be held in dry storage for a considerable period.

In the expansion of cold-storage facilities in strategically located areas, the shortage of new construction equipment has made it necessary to use extreme care in selecting the projects to be approved. An attempt has been made to give preference to the construction of warehouses in cities best located from a production and transportation point of view, and of houses that will be used for public storage the year around. With the limited use of materials, the greatest amount of storage can be provided in this manner.

In many cities there are ice-storage facilities which have been used very little or not at all because of the decline in demand for ice. Wartime increases in demand for ice have caused some of these warehouses to be returned to active use. In some cases, such warehouses can be converted to cold-storage with limited additional refrigeration capacity and with the use of only small quantities of scarce materials. Communities interested in providing additional cold-storage space by such means may obtain information from the War Food Administration, Marketing Facilities Branch, or from the Bureau of Agricultural Economics.

THE EGG MARKETING SITUATION

Egg prices declined considerably during the last part of March, and in some producing sections were below levels in line with the spring support price of 30 cents per dozen, U.S. average price to farmers, which had been announced by the War Food Administration.

Production was up 16 percent in January and February, and 4 percent in March compared with a year earlier, because of more hens on farms and unusually favorable weather which increased the lay per hen. With prices in consumer markets remaining at or near ceiling levels during the winter, consumption did not increase to absorb the increased output. Large quantities of eggs moved into storage. On April 1 there were 4.4 million cases of eggs in storage, compared with 3.2 million a year earlier.

The fact that severe price weakness did not develop before March is attributable to the fact that total production was seasonally smaller than in March, and it was possible to absorb in non-refrigerated storage as well as cold-storage the quantities which did not flow into consumption channels at prevailing prices.

If adequate packing materials, storage and shipping facilities, and manpower had been available, private handlers of eggs probably would have continued to absorb the temporary surplus and prices would have been maintained above the support levels without much if any help from the Government, since the price outlook for later in the year is considered to be generally good. But the supply of

egg cases was short, and many dealers are reported to have encountered difficulty in finding even fibre cases in which to pack the eggs. Wooden egg cases were particularly scarce, which made it difficult to pack eggs in a manner suitable for storage. Eggs placed in storage in poor quality fibre cases are subject to possible heavy losses. The cases become wet and soggy, the eggs spill out or are crushed, and many operators of cold-storage warehouses refuse to accept eggs packed in this manner.

The Texas and Oklahoma region, the area in which greatest trouble was experienced, does not have adequate cold-storage warehouse facilities to handle the volume of eggs which would have had to go into storage in order to prevent the price declines. Shortages of labor interfered with all egg handling operations, intensifying these difficulties. As a result of the adverse price effects of these conditions, the War Food Administration was compelled to enter the market to support the price of eggs.

Under the buying program of the War Food Administration which was in effect until recently, eggs were purchased once a week. Purchases were made in minimum carload quantities of 600 cases or more (of 30 dozen each) consisting of one grade and weight. It was also required that the eggs be packed in sound, new or good used standard cases (wood or fibre) and packing materials. But the fact that the Government stood ready to buy all eggs offered on this basis did not serve to hold prices above the support levels in all areas. The requirement that all purchases be in lots of 600 or more cases of one grade and weight made it difficult for small dealers to sell to the Government. The egg case supply was so tight that in many instances a sufficient quantity could not be obtained for use in packing the eggs for sale to the Government. The manpower shortage contributed to the difficulties encountered by dealers in meeting the WFA specifications. Under these conditions it was difficult for the Government to obtain sufficient quantities of suitably packed eggs in the areas where price support buying was most needed.

Although the Government specifications for eggs purchased under the program were based on what ordinarily would be reasonable requirements for eggs going into storage, it became necessary to revise the buying program. The new program now in effect simplifies the procedure by which eggs may be sold to the Government. And, in order to provide a market to individual producers at prices in line with the national support-level, buying agents were appointed to purchase eggs from producer and other dealers at specified levels, with the WFA standing ready to purchase these eggs from the buying agents at higher levels to allow for handling charges.

The only way in which the WFA can carry out a commitment to support the price of a commodity like eggs, in the face of price weakness which otherwise would carry prices below the support level, is to buy up all of the supplies in excess of the quantity which will move into private channels at the support price. This raises the question of what to do with the purchased commodities. In the case of eggs, two alternative methods of disposal were available.

First, the Government could place the eggs in storage, later releasing them when current egg receipts were seasonally reduced and prices recovered. This alternative, however, assumes the availability of egg cases suitable for storage operations and adequate cold-storage space. But the short supply of wooden egg cases was being used largely to meet the requirements of the Armed Forces for shell eggs under conditions requiring such cases. This shortage promises to continue. Unoccupied cold-storage facilities suitable for the storage of eggs have been available in New England and other sections of the country, but eggs purchased in the Southwest could be moved to these distant storage facilities only by using large numbers of refrigerator cars, which were already being utilized to practical capacity in hauling other perishable commodities. For these reasons, it would

have been extremely difficult or impossible to put into storage a sufficient quantity of eggs over such a short period of time to keep prices from declining below the support levels in some areas.

The second alternative outlet for the surplus eggs purchased by the Government is secondary uses such as dried eggs. The egg drying plants, however, already were being operated at capacity except where shortages of labor prevented. The price situation was such as to already offer a strong inducement to egg dryers to purchase eggs for this purpose. Egg drying plants with 100 breakers but only 50 girls to man them could not increase output merely because egg production was up. In order to handle more eggs it would be necessary to obtain more labor, and this is difficult in competition with other war industries. The situation in this respect in some egg-drying plants is reported to be similar to that which occurred on the Pacific Coast during the heavy hog runs of last winter, when killing facilities were only partly used because of the competition of shipyards and other war industries for labor.

Another method of dealing with the situation would be to bring about a larger movement of eggs into current civilian consumption, through retail price reductions. This would have required, however, a narrowing of marketing margins all the way up to the consumer, which is very difficult to effect in the case of a commodity like eggs, which are marketed in so many different ways. Reductions in retail prices based on lower prices to producers would not have contributed to the maintenance of support prices.

Even this brief review of the conditions surrounding the Government price stabilization program indicates that it would have been extremely difficult for the Government to buy and find a use for the quantity of eggs which would have had to be purchased in order to hold prices above the support levels in all areas at all times. Vigorous efforts have been made to correct the weaknesses in the program which showed up as the situation developed, but it is obvious that the only measures which can be fully effective are those which would alleviate the critical wartime materials, storage, shipping and manpower shortages which basically were responsible for the development of the weakness in egg markets.

THE "RATIONALIZATION" OF RETAIL MILK DISTRIBUTION IN GREAT BRITAIN 1/

What steps can be taken to make the distribution of milk and cream more economical of scarce materials and less costly? This question, in many forms, has been asked with increasing frequency during the war, by representatives of the trade, by producers, by consumers, and by governmental agencies charged with conserving the Nation's resources for war production.

A number of studies of different methods of milk distribution have been completed and recommendations have been made based on these studies. Some changes, such as the delivery of milk on alternate days, have been widely adopted but the system of "exclusive territories" or "zones" that appears to have the greatest merit from the standpoint of reducing the use of scarce materials, manpower, and (potentially) monetary costs, while maintaining home delivery of milk, has not been tried in the United States.

Because of the interest in this method of distribution and the skepticism expressed by some regarding its feasibility, this report on the British experience is enlightening. Distribution conditions in England differ in many important

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1/ Detailed information regarding the forms used in this program appears in a publication issued by the New England Research Council, the Storrs (Conn.) Agricultural Experiment Station, and the Bureau of Agricultural Economics, U.S. Department of Agriculture.

respects from those in this country. However, these differences are not of the kind or the extent that prevent the British experience with what they term the "rationalization" of milk distribution from being of great significance to those interested in more efficient and economical milk distribution in the United States.

The following description of the British program was prepared by Mr. R. Wentworth of the Ministry of Food for Alan G. MacLeod, Agent of the Bureau of Agricultural Economics and Executive Secretary of the New England Research Council

The retail distribution of milk in Great Britain is undertaken by a great many individuals and firms, ranging in size from the small one-man business distributing a gallon or so a day to the large company with a daily turnover of thousands of gallons. In pre-war days, milk distribution was a very competitive business; distributors went anywhere within the limits imposed by their own transport resources for custom and the result was a varying number of distributors (20 was not uncommon) in a single street of normal length, a great deal of "criss-cross" traffic, and a considerable mileage and manpower requirement in relation to the quantity of milk distributed.

The shortage of manpower, petrol and rubber which developed after the outbreak of the war, compelled the trade to effect economies in distribution arrangements; deliveries were restricted to once a day, the sale of groceries and provisions by milk roundsmen was considerably reduced, distribution was curtailed to six days a week - the seventh being a milkless day - women replaced men, and distributors exchanged customers so as to reduce the mileage involved in relation to the gallonage of milk delivered.

A great deal of this was in the right direction, but on the whole it was haphazard and the results were often inequitable in their incidence upon distributors and consumers. In May 1942, therefore, the Government announced a policy of retail rationalization of milk deliveries in all urban areas, i.e. cities, boroughs and urban districts having a population exceeding 10,000. The policy applied to the London Metropolitan area comprising 95 boroughs, to 513 provincial areas in England and Wales, and to 68 areas in Scotland and included a total population of 32.2 million, representing some 76 percent of the civilian population.

The rationalization of retail deliveries of milk was made possible by the fact that consumers were registered with dairymen, and by the "freezing" of consumer registrations, i.e. consumers could not change their registered supplier except on removal to a new address and in certain other exceptional circumstances. The exchange of registrations under a scheme was effected by the Local Food Office and statutory authority was provided for this.

The Ministry set a threefold purpose which schemes were required to achieve:

(a) To safeguard the public in the maintenance of a regular delivery of milk of satisfactory quality.

(b) To preserve equity among distributors.

(c) To achieve the maximum economies in the use of transport and manpower.

The initial responsibility for the preparation of a scheme for the rationalization of retail deliveries was placed upon the dairymen in the areas concerned. The Ministry of Food assisted by the issue of "Notes for the Guidance of Dairymen Preparing Schemes," and through their headquarters and divisional officers. The dairymen in the areas concerned established wartime associations and prepared schemes which were submitted to the Ministry of Food for approval.

With few exceptions, the schemes which were prepared and approved were of the block delivery type. Under this system, each dairyman is given a block of trade equivalent to that done prior to the scheme as near as possible to his premises. The cooperative societies delivering milk, by agreement with the trade and the Ministry, were excluded from the schemes, but in the larger areas, e.g. the London Metropolitan area, Merseyside, Tyneside, Glasgow and Clydeside where there may be two or more societies delivering milk in the same area, they were required to rationalize between themselves so as to eliminate any overlapping of delivery services. The net result, therefore, under a block delivery system was the minimum of one private trader and one cooperative society delivering in any street of normal length. A third distributor was sometimes allowed in order to maintain deliveries of special milks to customers who took such milks prior to the scheme. The most important of these special milks for which provision was made was Tuberculin-Tested milk.

Table 1. - Estimated savings made by rationalization of retail milk in Great Britain

	Great Britain (excluding London)	London
Labor		
(a) Full time		
Men over 18	3600	1500
Men under 18	1400	500
Women (all ages)	1300	900
(b) Part time		
Men and women (all ages)	2000	100
Transport Vehicles		
Hand Prams	1800	600
Cycles	---	300
Horse Drawn	1000	900
Gasoline Driven	2400	200
Electric Driven	30	100
Mileage		
All vehicles (miles per week)	800,000	Not available
Gasoline		
Gallons (U.S.) per week	43,000	3,000

FARM-RETAIL PRICE SPREADS, MARCH 1944

Food marketing charges showed little change since August

Total charges for marketing a farm product "food basket," (including the spread between retail cost of quantities of farm food products representing average annual purchases of a typical workingman's family and payments to farmers for equivalent produce, plus Government marketing payments on the same foods) amounted to $197 in March 1944. Of this total charge, Government marketing payments made up $17 with the marketing margin or farm-retail price spread accounting for the other $180. Marketing charges in March represented a decline from a level of $200 in January and February, following a period of minor variation between $195 and $198 during the last 5 months of 1943. The recent high in marketing charges was reached in June of 1943 at a level of $220. Marketing charges in March 1944 exceeded the 1935-39 pre-war average of $189 by more than 4 percent although the marketing margin, exclusive of Government marketing payments and processing taxes, showed a decline of 6 percent over the same period. The 1935-39 average marketing margin was inflated over the level of net marketing charges by about $2 in the form or processing taxes, while in March 1944 the marketing margin fell short of total marketing charges by the amount of $17 representing Government payments to food processors and other marketing agencies.

Farmer's share of retail food dollar continues at 58 cents

The farmer's share of the consumer's dollar spent for farm food products amounted to 58 cents in March 1944, unchanged since August 1943, except for 59 cents in December. Computed on the basis of retail price plus Government payments the farmer's share of the food dollar was 56 cents, in March.

Retail prices on farm foods decline for second month--farm prices show no change

Retail cost to consumers of the farm product food basket amounted to $433 in March 1944, declining from $436 in February and $440 in January. The retail cost is the lowest since February 1943 and was 9 percent below the high level of $475 recorded for May 1943.

Payments to farmers for quantities of produce equivalent to the retail items in the food basket were $253 in March 1943, unchanged from February and about 3 percent below the recent high level of $261 reached in April and May of 1943.

Significant commodity trends

Prices of eggs declined appreciably from February to March 1944 both at the retail and farm levels. The declines amounted to 5 percent at retail and 6 percent at the farm. Charges for marketing eggs narrowed by 4 percent from February to March following an even larger decline during the previous month. Other declines in marketing margins included potatoes, peanut butter, and meat products.

Charges for marketing the group of all fresh fruits and vegetables included in the food basket have remained quite stable since August 1943 and amounted to $44 in March 1944. These charges reached a high of $63 in May of 1943. The marketing margin for the group of beef, pork, and lamb products included in the food basket, after adjustment for values of byproducts obtained in processing, dropped slightly to $30 in March 1944 with the farmer's share of retail meat dollar remaining unchanged at 72 cents. Total charges for marketing these meat products including Government payments to processors totaled about $38 in March 1944 compared to $34 in March 1943.

Retail food prices held in face of rising consumer income

Retail cost to consumers of 1935-39 average annual consumption of specified quantities and descriptions of foods averaged $163 for the year 1943 and remained at the same level for January 1944. Per capita income payments have been increasing steadily through 1943. Cost of the food basket as a percentage of income averaged 16 percent for 1943 and amounted to only 15 percent from August 1943 through January 1944. Total expenditures for goods and services leveled off during late 1943 as did also total expenditures for all food products purchased.

These comparisons show that retail food prices are being held at levels that are record low in relation to current levels of consumers' income.

Table 1. - Annual family purchases of 58 foods 1/

Year and month	Cost at retail	Paid to farmers	Marketing margin	Government marketing payments	Total marketing charges 2/	Farmer's share
	Dollars	Dollars	Dollars	Dollars	Dollars	Percent
1913-15 average	236	135	121	0	121	53
1920	514	272	242	0	242	53
1929	415	195	220	0	220	47
1935-39 average	332	141	191	3/-2	189	42
1941	342	164	178	0	178	48
1942	398	209	189	0	189	53
1943	447	255	192	8	200	57
1943 - Mar.	448	257	191	1	192	57
Apr.	462	261	201	1	202	56
May	475	261	214	1	215	55
June	470	260	210	10	220	55
July	451	255	196	12	208	57
Aug.	440	255	185	12	197	58
Sept.	438	255	183	12	195	58
Oct.	440	256	184	13	197	58
Nov.	440	256	184	14	198	58
Dec.	440	258	182	16	198	59
1944 - Jan.	440	4/256	4/184	16	200	58
Feb.	436	253	183	17	200	58
Mar.	433	5/253	5/180	17	197	58

1/ Important food products produced by American farmers combined in quantities representing annual purchases by a typical workingman's family. Retail price average for 56 cities from Bureau of Labor Statistics.
2/ Marketing margin plus Government marketing payments.
3/ Processing taxes in 1935.
4/ Revised. 5/ Preliminary.

Table . - Food cost and expenditures compared with total income per person, United States average 1/

Year and month	Total income	Total expenditures for consumer goods and services	Food expenditures: Actual	Food expenditures: As percentage of Total income	Food expenditures: As percentage of Total expenditures for goods and services	Cost to consumer of fixed quantities of foods representing average annual consumption per person, 1935-39: Actual	As percentage of Total income	As percentage of Total expenditures for goods and services
	Dol.	Dol.	Dol.	Pct.	Pct.	Dol.	Pct.	Pct.
1935-39 average	520	456	113	22	25	113	22	25
1941	692	560	140	20	25	120	17	21
1942	857	612	176	21	29	143	17	23
1943	1040	685	206	20	30	163	16	24
	Annual rates by months, seasonally adjusted							
1943 - Jan.	973	660	196	20	30	155	16	23
July	1048	709	217	21	31	164	16	23
Nov.	1086	701	210	19	30	164	15	23
Dec.	1101	2/698	218	20	31	164	15	23
1944 - Jan.	3/1113	3/724	3/222	20	31	3/163	15	23

1/ See notes in original table p. 3, April-May issue. 2/ Revised. 3/ Preliminary.

Table 2. - Price spreads between the farmer and the consumer - food products, March 1944

Retail commodity	Table No. 1/	Retail: Unit	Retail: Price	Farm equivalent: Quantity	Farm equivalent: Value	Actual margin	Farm value as percentage of retail price
			Cents		Cents	Cents	Percent
Pork products	11	1 lb. prin. pork products	28.8	1.90 lb. live hog	24.9	3.9	86
Dairy products	12	100 lb. milk equivalent	425.9	100 lb. milk equivalent	2/262.4	2/163.5	62
Hens	13	1 lb.	44.9	1.11 lb.	26.4	18.5	59
Eggs	14	1 doz.	47.8	1 doz.	30.1	17.7	63
White flour	15	1 lb.	6.5	1.41 lb. wheat	3.4	3.1	52
White bread	16	1 lb.	8.7	.97 lb. wheat	2.4	6.3	28
Corn meal	17	1 lb.	5.9	1.5 lb. corn	3.1	2.8	53
Rolled oats	18	1 lb.	8.7	1.78 lb. oats	4.4	4.3	51
Corn flakes	19	8-oz. pkg.	6.5	1.275 lb. corn	2.6	3.9	40
Wheat cereal	20	28-oz. pkg.	23.3	2.065 lb. wheat	5.0	18.3	21
Rice	21	1 lb.	12.8	1.51 lb. rough rice	6.4	6.4	50
Navy beans	22	1 lb.	10.6	1 lb. dry beans	6.1	4.5	58
Oranges	24	1 doz.	41.9	1/17 box	14.5	27.4	35
Potatoes	25	1 lb.	4.2	1 lb.	2.3	1.9	55
Apples	35	1 lb.	11.6	1 lb.	6.4	5.2	55
Lamb products	37	1 lb. prin. lamb cuts	35.7	2.16 lb. live lamb	28.9	6.8	81
Sweetpotatoes	38	1 lb.	11.0	1 lb.	4.0	7.0	36
Rye bread	39	1 lb.	9.4	.39 lb. rye & .64 lb. wheat	2.3	7.1	24
Whole wh. bread	40	1 lb.	10.1	.92 lb. wheat	2.2	7.9	22
Macaroni	41	1 lb.	16.7	1.72 lb. durum wheat	4.1	12.6	25
Soda crackers	42	1 lb.	18.8	1.085 lb. wheat	2.6	16.2	14
Peanut butter	44	1 lb.	28.6	1.73 lb. peanuts	13.0	15.6	45
58 foods combined	8	Annual family consumption	$433	Annual family consumption	2/$253	2/$180	58

1/ Table numbers refer to numbering in original 1936 report and annual supplements entitled "Price Spreads Between the Farmer and the Consumer."
2/ Preliminary.
Retail prices from the Bureau of Labor Statistics.

Table 3 - Price spreads between the farmer and the consumer - food products, retail price and farm value, March 1944

Commodity	Retail unit	Retail price				Percentage change to Mar. 1944 from-		Farm equivalent	Farm value				Percentage change to Mar. 1944 from-	
		1935-39 average	Mar. 1943	Feb. 1944	Mar. 1944	Mar. 1943	Feb. 1944		1935-39 average	Mar. 1943	Feb. 1944	Mar. 1944	Mar. 1943	Feb. 1944
		Cents	Cents	Cents	Cents	Percent	Percent		Cents	Cents	Cents	Cents	Percent	Percent
Pork products	1 lb. prin. pork products	25.3	31.2	28.8	28.8	- 8	0	1.90 lb. live hogs	15.7	27.9	24.5	24.9	-11	+ 2
Dairy products	100 lb. milk equiv.	324.0	443.8	425.9	425.9	- 4	0	100 lb. milk equiv.	146.0	250.4	265.0	1/262.4	+ 5	- 1
Hens	1 lb.	31.7	46.3	44.7	44.9	- 3	2/	1.11 lb.	16.5	26.1	26.3	26.4	+ 1	2/
Eggs	1 doz.	36.0	50.3	50.3	47.8	- 5	- 5	1 doz.	21.7	34.0	31.9	30.1	-11	- 6
White flour	1 lb.	4.5	6.0	6.5	6.5	+ 8	0	1.41 lb. wheat	2.0	2.9	3.4	3.4	+17	0
White bread	1 lb.	8.2	8.7	8.7	8.7	0	0	0.97 lb. wheat	1.3	2.0	2.4	2.4	+20	0
Corn meal	1 lb.	5.0	5.4	5.9	5.9	+ 9	0	1.5 lb. corn	1.8	2.5	3.0	3.1	+24	+ 3
Rolled oats	1 lb.	7.4	8.9	8.7	8.7	- 2	0	1.78 lb. oats	1.9	3.2	4.4	4.4	+38	0
Corn flakes	8-oz. pkg.	7.8	7.0	6.5	6.5	- 7	0	1.275 lb. corn	1.6	2.2	2.6	2.6	+18	0
Wheat cereal	28-oz. pkg.	24.3	24.1	23.3	23.3	- 3	0	2.065 lb. wheat	2.9	4.2	5.0	5.0	+19	0
Rice	1 lb.	8.2	12.8	12.8	12.8	0	0	1.51 lb. rough rice	2.5	6.0	6.4	6.4	+ 7	0
Navy beans	1 lb.	6.9	9.8	10.6	10.6	+ 8	0	1 lb. dry beans	3.5	5.4	6.1	6.1	+13	0
Oranges	1 doz.	31.5	39.4	37.6	41.9	+ 6	+11	1/17 box	9.3	13.4	11.5	14.5	+ 8	+26
Potatoes	1 lb.	2.5	4.6	4.3	4.2	- 9	- 2	1 lb.	1.2	2.4	2.3	2.3	- 4	0
Apples	1 lb.	5.5	8.9	11.2	11.6	+30	+ 4	1 lb.	1.9	3.9	6.1	6.4	+64	+ 5
Lamb products	1 lb. prin. lamb cuts	27.2	36.6	35.6	35.7	- 2	2/	2.16 lb. live lamb	16.2	30.2	28.5	28.9	- 4	+ 1
Sweetpotatoes	1 lb.	4.4	9.7	10.8	11.0	+13	+ 2	1 lb.	1.5	2.8	3.8	4.0	+43	+ 5
Rye bread	1 lb.	9.1	9.3	9.5	9.4	+ 1	- 1	0.39 lb. rye and 0.64 lb. wheat	1.3	1.8	2.3	2.3	+28	0
Whole wheat bread	1 lb.	9.3	10.1	10.1	10.1	0	0	0.92 lb. wheat	1.3	1.9	2.2	2.2	+16	0
Macaroni	1 lb.	15.0	14.6	15.5	16.7	+14	+ 8	1.72 lb. durum wheat	2.3	3.4	4.1	4.1	+21	0
Soda crackers	1 lb.	16.9	17.6	18.8	18.8	+ 7	0	1.085 lb. wheat	1.5	2.2	2.6	2.6	+18	0
Peanut butter	1 lb.	19.3	32.0	28.8	28.6	-11	- 1	1.73 lb. peanuts	6.1	11.8	12.8	13.0	+10	+ 2
58 foods combined	Annual family consumption	$332	$448	$436	$433	- 3	- 1	Annual family consumption	$141	$257	3/$253	1/$253	- 2	0

1/ Preliminary. 2/ Less than 0.5 percent. 3/ Revised.

Retail prices are 56-city averages as published by the Bureau of Labor Statistics - Farm values are calculated from U. S. average farm price.

Table 4 .- Price spreads between the farmer and the consumer - food products, margins, and farm value as percentage of retail price, March 1944

Commodity	Retail unit	Margin				Percentage change to Mar. 1944 from-		Farm value as percentage of retail price			
		1935-39 average	Mar. 1943	Feb. 1944	Mar. 1944	Mar. 1943	Feb. 1944	1935-39 average	Mar. 1943	Feb. 1944	Mar. 1944
		Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Percent	Percent
Pork products	1 lb. prin. pork products	9.6	3.3	4.3	3.9	+18	- 9	62	89	85	86
Dairy products	100 lb. milk equiv.	178.0	193.4	160.9	1/163.5	-15	+ 2	45	56	62	62
Hens	1 lb.	15.2	20.2	18.4	18.5	- 8	+ 1	52	56	59	59
Eggs	1 doz.	14.3	16.3	18.4	17.7	+ 9	- 4	60	68	63	63
White flour	1 lb.	2.5	3.1	3.1	3.1	0	0	44	48	52	52
White bread	1 lb.	6.9	6.7	6.3	6.3	- 6	0	16	23	28	28
Corn meal	1 lb.	3.2	2.9	2.9	2.8	- 3	- 3	36	46	51	53
Rolled oats	1 lb.	5.5	5.7	4.3	4.3	-25	0	26	36	51	51
Corn flakes	8-oz. pkg.	6.2	4.8	3.9	3.9	-19	0	21	31	40	40
Wheat cereal	28-oz. pkg.	21.4	19.9	18.3	18.3	- 8	0	12	17	21	21
Rice	1 lb.	5.7	6.8	6.4	6.4	- 6	0	30	47	50	50
Navy beans	1 lb.	3.4	4.4	4.5	4.5	+ 2	0	51	55	58	58
Oranges	1 lb.	22.2	26.0	26.1	27.4	+ 5	+ 5	30	34	31	35
Potatoes	1 lb.	1.3	2.2	2.0	1.9	-14	- 5	48	52	53	55
Apples	1 lb.	3.6	5.0	5.1	5.2	+ 4	+ 2	35	44	54	55
Lamb products	1 lb. prin. lamb cuts	11.0	6.4	7.1	6.8	+ 6	- 4	60	83	80	81
Sweetpotatoes	1 lb.	2.9	6.9	7.0	7.0	+ 1	0	34	29	35	36
Rye bread	1 lb.	7.8	7.5	7.2	7.1	- 5	- 1	14	19	24	24
Whole wheat bread	1 lb.	8.0	8.2	7.9	7.9	- 4	0	14	19	22	22
Macaroni	1 lb.	12.7	11.2	11.4	12.6	+12	+11	15	23	26	25
Soda crackers	1 lb.	15.4	15.4	16.2	16.2	+ 5	0	9	12	14	14
Peanut butter	1 lb.	13.2	20.2	16.0	15.6	-23	- 2	32	37	44	45
58 foods combined	Annual family consumption	$191	$191	2/$183	1/$180	- 6	- 2	42	57	58	58

1/ Preliminary. 2/ Revised.

Table 5 . - Farm products: Indexes of prices at several levels of marketing, 1935-39 = 100

Year and month	Cost of living of city families 1/	Foods: Retail prices of all foods 1/	Foods: Wholesale prices 2/	Foods: Farm prices of 58 foods 3/	Fibre: Retail prices of clothing 1/	Fibre: Wholesale prices of textile products 2/	Fibre: Farm prices of cotton and wool 4/	Wholesale prices of all farm products 2/	Farm prices of all products 3/	Prices paid farmers 3/
1913	71	80	81	95	69	81	111	94	95	81
1914	72	82	82	97	70	77	97	94	95	80
1916	78	91	96	110	78	99	131	111	111	100
1918	108	134	151	174	128	193	281	195	190	141
1920	143	169	174	193	201	232	282	198	199	162
1929	122	132	126	138	115	127	167	138	137	123
1932	98	86	77	62	91	77	55	63	61	86
1935	98	100	106	98	97	100	109	104	102	100
1936	99	101	104	108	98	101	114	106	107	100
1937	103	105	108	113	103	107	111	114	114	105
1938	101	98	93	92	102	94	81	90	89	98
1939	99	95	89	89	100	98	85	86	88	97
1940	100	97	90	94	102	104	97	89	92	99
1941	105	105	105	116	106	119	131	108	115	105
1942	116	124	126	148	124	136	178	139	148	122
1943	124	138	135	181	130	137	190	162	177	132
1939 - Aug..	---	94	85	85	---	96	85	80	83	96
Sept.	101	98	95	95	100	101	91	90	92	98
1943 - Feb..	121	134	134	174	126	137	188	157	171	129
Mar..	123	137	136	182	128	137	191	162	173	129
Apr..	124	141	137	185	128	137	192	163	175	130
May .	125	143	140	185	128	137	192	165	176	131
June.	125	142	139	184	128	137	192	166	179	132
July.	124	139	136	181	129	137	189	165	174	133
Aug..	123	137	134	181	129	137	190	163	179	133
Sept.	124	137	133	181	132	137	193	162	179	133
Oct..	124	138	133	182	133	137	193	161	180	133
Nov..	124	137	134	182	134	138	186	160	181	134
Dec..	124	137	134	183	135	138	190	160	185	135
1944 - Jan..	124	136	133	182	5/135	138	192	160	186	136
Feb..	124	134	132	180	135	138	190	161	185	137
Mar..	124	134	132	179	137	138	190	163	186	137

1/ From "Changes in Cost of Living" Bureau of Labor Statistics.
2/ Calculated from figures of the Bureau of Labor Statistics.
3/ Based on figures published by the United States Department of Agriculture
4/ Cotton and wool prices weighted by production in the period 1935-39.
5/ Revised.

Table 6. - Indexes of consumer income and of hourly earnings in marketing, 1935-39 = 100

Year and month	Nonagricultural income payments 1/	Monthly earnings per employed factory worker 2/	Hourly earnings in marketing enterprises: Class I steam railways 3/	Food processing 4/	Food marketing 5/	Cotton processing 4/
1929	122	118	93	---	---	---
1935-39 average	100	100	100	100	100	100
1940	115	111	105	110	105	106
1941	6/138	132	106	116	110	119
1942	6/170	166	119	128	120	139
1943	207	196	121	139	130	152
1943 - Jan.	6/194	184	120	134	126	150
Feb.	6/197	187	123	135	127	150
Mar.	6/200	190	119	136	127	151
Apr.	6/202	193	120	136	128	151
May	6/203	196	120	139	129	152
June	6/207	196	119	140	130	152
July	6/209	194	119	140	130	152
Aug.	6/210	197	120	140	131	151
Sept.	211	201	121	140	132	154
Oct.	213	204	121	142	133	153
Nov.	6/217	205	123	145	134	153
Dec.	6/219	202	124	146	132	153
1944 - Jan.	221	6/205	132	146	135	154
Feb.	7/225	7/206	137	146	136	154

1/ United States Department of Commerce estimates. Adjusted for seasonal variation. Revised series.

2/ Prepared in the Bureau of Agricultural Economics from data of the Bureau of Labor Statistics, adjusted for seasonal variation.

3/ Compiled from data published by the Interstate Commerce Commission.

4/ Bureau of Labor Statistics.

5/ Weighted composite of earnings in steam railways, food processing, wholesaling and retailing.

6/ Revised.

7/ Preliminary estimates.